

## Schedule B

# Stage 1 Funding for Victorian Supply Measures-Environmental Works Program (Amendment 4)

### PROJECT AGREEMENT FOR STAGE 1 FUNDING FOR SUSTAINABLE DIVERSION LIMITS (SDL) ADJUSTMENT SUPPLY AND CONSTRAINTS MEASURES IN THE MURRAY-DARLING BASIN

1. This Schedule is made under the Federal Funding Agreement - Environment and developed in accordance with Clause 18 of the Project Agreement for Stage 1 Funding for Sustainable Diversion Limits (SDL) Adjustment Supply and Constraints Measures in the Murray-Darling Basin [the Agreement].
2. This Schedule will commence as soon as it is agreed between the Commonwealth and Victoria and will expire on 31 December 2026, or on completion of agreed activities, including final performance reporting and processing of final payments against milestones.
3. This Schedule will provide funding to Victoria for nine environmental works projects under the Victorian Murray Floodplain Restoration Project (VMFRP). The VMFRP is part of the Murray-Darling Basin Plan's Sustainable Diversion Limit (SDL) adjustment mechanism which enables the Plan's SDLs to be increased by 605 gegalitres.
4. The Schedule will fund implementation for Stage 1 (primary approval activities) for the nine projects. Following milestone 12 of this schedule, an assessment (Gateway review) will be undertaken by the Commonwealth government that will inform a joint Commonwealth and Victorian implementation pathway for Stage 2 pre-construction and construction activities.
5. The nine environmental works sites included in this Schedule are:
  - i. Hattah Lakes North
  - ii. Belsar Yungera
  - iii. Vinifera
  - iv. Nyah
  - v. Burra Creek<sup>1</sup>

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<sup>1</sup> Note: On 7 January 2024, the Minister for Planning issued her assessment of the environmental effects of the Burra Creek Floodplain Restoration Project under the Environment Effects Act 1978. The Minister's assessment

- vi. Guttrum Benwell
- vii. Gunbower
- viii. Lindsay Island
- ix. Wallpolla Island

6. The Commonwealth will provide an estimated total financial contribution to Victoria of up to \$165.3 million in respect of this Schedule as shown in Table 1. All payments are GST exclusive.

**Table 1: Estimated financial contributions**

(\$ million)	2018-19 to 2023-24	2024-25	2025-26	2026-27	Total
<b>Estimated total budget</b>	<b>97.2</b>	<b>47.6</b>	<b>19.5</b>	<b>1.0</b>	<b>165.3</b>
Less estimated National Partnership Payments	97.2	47.6	19.5	1.0	165.3
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0

7. The parties acknowledge that a variation to this Schedule was agreed in 2019-20, which rescheduled some activities and included other new activities in the milestones pending clarity on the regulatory approval requirements.

The parties acknowledge that a second variation was agreed in 2020-21, which incorporated the regulatory approval requirements and included the finalisation of the deferred activities.

The parties also acknowledge that a third variation was agreed in 2022-23, which addressed cost pressures from COVID-19 and inclement weather conditions delaying field survey completion work required for the regulatory approvals process. This variation also incorporated acceleration of pre-construction activities such as commencement of long-lead procurement items.

This fourth variation agreed in 2024-25 addresses cost pressures from the late 2022 Northern Victorian floods and provides additional funding to enable the project to complete all primary approvals for all sites and activities to support the transition to a Stage 2 funding agreement for full project implementation.

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concludes that the Burra Creek Project will not deliver overall benefits for the floodplain vegetation communities and associated biodiversity values, and further will have unacceptable environmental effects.

[Vinifera, Nyah and Burra Creek floodplain restoration projects \(planning.vic.gov.au\)](https://planning.vic.gov.au)

8. The Stage 1 activities or outputs to be delivered by Victoria are outlined below:
- a) Appendix 2 outlines the Victorian Basin Plan Environmental Works Program delivery strategy for the implementation of nine environmental works supply measures, Belsar Yungera, Burra Creek, Hattah Lakes North, Nyah, Lindsay Island, Vinifera, and Wallpolla Island Floodplain Management Projects and the Guttrum and Benwell State Forests and Gunbower National Park Floodplain Environmental Works Projects. This work includes:
    - i. producing the Victorian Basin Plan Environmental Works Program delivery strategy document and establishing the program governance framework and program team;
    - ii. engaging specialist resources including service level agreements with the Mallee and North Central Catchment Management Authorities (CMA), Goulburn Murray Water (GMW), Lower Murray Water (LMW) and Parks Victoria (PV) and engaging engineering consultancy firm (s) as the Owner's Engineer;
    - iii. completing project management plans for the program of works;
    - iv. preparing draft native fish management plans for seven of the measures and a regional native fish discussion paper; and
    - v. producing a final consolidated Stage 2 business case.
  - b) Stage 1 activities for the environmental works supply measures including:
    - i. preparing concept and functional designs for all nine measures;
    - ii. lodging key environmental referrals for all nine measures.
    - iii. producing an updated regulatory approvals strategy, post primary approvals referral outcome- including, but not limited to the following information:
      - a. confirmation of primary approvals referral outcome and costings to obtain key environmental referrals and other cultural heritage and planning statutory approvals with approving authorities;
  - c) the Draft Stage 2 Delivery Strategy includes, but not limited to the following information:
    - a. proposed Stage 2 delivery and funding implementation plan;
    - b. Stage 2 consolidated Business case updated to reflect final evaluation with contractors and updated whole of life costing for projects.
    - c. Transition Plan to move from Stage 1 to Stage 2, including governance and project management resources.
    - d. evidence to demonstrate resolution, or a strategy to resolve all issues identified in the assessment of the business cases for the measures for the

- SDL adjustment mechanism and recorded in the Post-Phase 2 Issues Register;
- e. arrangements for ongoing ownership and responsibility for operations and maintenance costs for the measures.
9. Appendix 1 contains information on milestones and payments made to projects under earlier versions of this Schedule.
  10. In accordance with clause 21 of the Agreement the milestones for activities, their relationship to the outputs, relevant reporting dates and the maximum expected payments to be made are set out in Table 2. The guideline on items to be addressed by Victoria in the delivery of milestones is at Appendix 2.

### **Project Governance**

11. The project will be monitored through a Project Control Group of which the Commonwealth will remain as an observer.
12. Through Victoria's existing project governance arrangements, Victoria will notify the Commonwealth should any matters arise that would inhibit complete and timely delivery of the proposed works or a significant change to the cost required to deliver the proposed works.

### **Reporting**

13. In accordance with the Agreement, Victoria will provide reports on the progress of each output in accordance with the timing in Table 2. If a report referred to in Table 2 indicates that Victoria has not met the relevant milestone, Victoria may submit a later report demonstrating that the relevant milestone has been met, for the purposes of clause 21 of the Agreement. In addition to the reporting specified in the Agreement, the progress reports to be provided by Victoria will include:
  - a) Stage 1 Activities Status Update outlining activities completed in the current period that progress achievement of subsequent milestones, including details of any costs incurred in completing the activities, consistent with clause 29 of the Agreement;
  - b) a project risk register update;
  - c) a stakeholder consultation update; and
  - d) updates on resolution of the issues identified during the assessment of the business cases for the measures listed in clause 5 of this Schedule and reflected in the Post-Phase 2 Issues Register.

**Table 2: Performance requirements, reporting and payment summary for all sites**

Milestone Number	Performance Milestones	Report Due	Payment (up to)
9 (completed activities)	<p><b>Provide the Independent report on the cost to complete for the remaining Stage 1 activities.</b></p> <p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>Project delivery:</b></p> <p><b>Program-level</b></p> <ul style="list-style-type: none"> <li>• Completion of ecological Monitoring, Evaluation and Reporting (MER) database development bespoke for VMFRP with input of first year (2021-22) VMFRP baseline data for each site included into the database – accessible to DCCEEW on request</li> <li>• Completion of the Socio-Economic MER Plan</li> <li>• Completion of Aboriginal Engagement MER Plan</li> <li>• Completion of 42 Aboriginal Waterway assessments as part of the Traditional Owner land and water aspirations program within the Mallee CMA region.</li> <li>• Project Transition Plan from Stage 1 to Stage 2</li> <li>• Resource strategy to re-mobilise project team developed</li> </ul> <p><b>Package specific</b></p> <p><b>Environmental Effects Statement (EES) West (Lindsay Island and Wallpolla):</b></p> <ul style="list-style-type: none"> <li>• Draft documentation completed for EES West including Introduction Chapters (Vol 1), Effects Chapters (Vol 2), Environmental Management Framework (Vol 3), Attachments (Vol 4)</li> <li>• Draft complex assessment Cultural Heritage Management Plans (CHMP) Chapters based on completed field work pre-flooding impacts</li> <li>• Working draft EES Volumes 1, 2, 3, 4 and 5</li> </ul> <p><b>EES Central (Hattah Lakes North and Belsar Yungera):</b></p> <ul style="list-style-type: none"> <li>• Received Minister for Planning assessment.</li> <li>• Exhibit Planning Scheme Amendment</li> <li>• Primary approvals (Planning Scheme Amendment (PSA) and Environmental Protection and Biodiversity Conservation Act (EPBC) applications submitted to Minister for Planning (State) and Minister for Environment and Water (Federal) for approval.</li> </ul>	<p>Within 10 business days following the execution of the agreement variation</p>	<p>\$28,070,000</p>

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Milestone Number	Performance Milestones	Report Due	Payment (up to)
	<p><b>Environment Report (ER) Central (Nyah, Vinifera and Burra Creek):</b></p> <ul style="list-style-type: none"> <li>• Environmental Report documentation publicly exhibited for Inquiry phase.</li> <li>• Received Minister for Planning assessment.</li> </ul> <p><b>Environment Report (ER) East (Gunbower and Guttrum Benwell):</b></p> <ul style="list-style-type: none"> <li>• Draft documentation completed for ER East including Introduction Chapters (Vol 1), Effects Chapters (Vol 2), Environmental Management Framework (Vol 3), Attachments (Vol 4)</li> </ul> <p><b>Acceptance by the Department of Climate Change, Energy, Environment and Water (DCCEEW) of:</b></p> <p><b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>		
10a	<p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>A: Project Delivery</b>  <b>Program level:</b></p> <p><b>Restart implemented.</b></p> <ul style="list-style-type: none"> <li>• Resource strategy for restart for VMFRP project team implemented including recruitment of executive position (i.e. Project Director, Commercial Manager, etc) implementation.</li> <li>• Back-to-back funding agreement approved for Lower Murray Water and funding released.</li> <li>• Communications /Engagement Plan for restart implemented.</li> <li>• Governance reviewed for restart and Project Control Group reengaged.</li> </ul> <p><b>Acceptance by DCCEEW of:</b></p> <p><b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>	30 Sept 2024	\$4,000,000

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Milestone Number	Performance Milestones	Report Due	Payment (up to)
10b	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES Central (Hattah Lakes North and Belsar Yungera):</b></p> <ul style="list-style-type: none"> <li>Cultural Heritage (CH) site cards submitted to FPSR for registration</li> <li>Issue Options Deeds to Landowners showing intent to proceed</li> </ul>	30 September 2024	\$2,000,000
10c	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER Central (Nyah, Vinifera and Burra Creek):</b></p> <ul style="list-style-type: none"> <li>CH site cards submitted for Nyah, Vinifera and Burra Creek to FPSR for registration</li> <li>All Options Deeds issued to landowners and sign on payments made to landowners (<i>noting Burra Creek Landowners deeds are now being rescinded</i>).</li> </ul>	30 September 2024	\$2,000,000
10d	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER East (Gunbower and Guttrum Benwell):</b></p> <ul style="list-style-type: none"> <li>Multi-criteria assessment (MCA) complete for Guttrum-Benwell design options.</li> <li>Construction footprints updated to reflect the MCA for Guttrum-Benwell for regulatory approvals and Early Contractor Involvement (ECI) process.</li> <li>CH site cards submitted to First People State Relations (FPSR) for registration.</li> </ul>	30 September 2024	\$2,000,000
10e	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity EES West (Lindsay Island and Wallpolla):</b></p> <ul style="list-style-type: none"> <li>Construction footprints updated to reflect completed the design optimisation review.</li> </ul>	30 September 2024	\$2,000,000
11a	<p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>A:Project Delivery</b></p> <p><b>Program-level:</b></p> <ul style="list-style-type: none"> <li>Evidence of key procurements finalised to deliver remaining approvals activities.</li> <li>Evidence of key project roles being filled to deliver approvals activities.</li> </ul> <p><b>Acceptance by DCCEEW of:</b></p> <p><b>B: Project Risk register update</b></p> <p><b>C: Stakeholder consultation update</b></p>	28 February 2025	\$2,000,000

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Milestone Number	Performance Milestones	Report Due	Payment (up to)
	<p><b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b></p> <p><b>E: Income and expenditure report</b></p> <p><b>F: Governance report (number of meetings, major discussions, risks)</b></p>		
11b	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity:</b></p> <p>EES Central (Hattah Lakes North and Belsar-Yungera):</p> <ul style="list-style-type: none"> <li>Approvals strategy for Hattah North containment bank completed after consultation completed</li> </ul>	28 February 2025	\$1,500,000
11c	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity:</b></p> <p>ER East (Gunbower and Guttrum Benwell):</p> <ul style="list-style-type: none"> <li>Hydraulic assessment updated to reflect Ministers Recommendations from EES &amp; ER Central sites.</li> <li>Complete field investigations (Specialist studies)</li> </ul>	28 February 2025	\$2,000,000
11d	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity:</b></p> <p>EES West (Lindsay Island and Wallpolla):</p> <ul style="list-style-type: none"> <li>Complete field investigations (Specialist technical studies)</li> <li>Site cards based on completed field work pre-flooding impacts submitted to FPSR for registration.</li> </ul>	28 February 2025	\$2,000,000
12a	<p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>A. Project Delivery</b></p> <p><b>Program-level:</b></p> <ul style="list-style-type: none"> <li>Early Contractor Involvement (ECI) completion for all projects excluding Burra Creek</li> <li>Completion of the Operation and Maintenance (O&amp;M) costings for approved projects</li> <li>Transition Plan updated to reflect approved packages and revised timing.</li> <li>Stage 2 Delivery Strategy and Consolidated Business Case for all sites submitted to DCCEEW, including final ECI and O&amp;M costings - commence negotiations for Stage 2 construction funding.</li> </ul> <p><b>Acceptance by DCCEEW of:</b></p> <p><b>B: Project Risk register update</b></p> <p><b>C: Stakeholder consultation update</b></p> <p><b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b></p>	1 July 2025	\$3,000,000



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Milestone Number	Performance Milestones	Report Due	Payment (up to)
	<b>E: Income and expenditure report</b> <b>F: Governance report (number of meetings, major discussions, risks)</b>		
12b	<b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES Central (Hattah Lakes North and Belsar-Yungera):</b> <ul style="list-style-type: none"> <li>CHMPs finalised for submission (Hattah North &amp; Belsar-Yungera) to FPSR for pre-evaluation review (approved once Stage 2 confirmed)</li> <li>Completion of geotechnical field studies required for Stage 2 construction.</li> </ul>	1 July 2025	\$1,500,000
12c	<b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER Central (Nyah and Vinifera):</b> <ul style="list-style-type: none"> <li>CHMPs finalised for submission (Nyah and Vinifera) to FPSR for pre-evaluation review (approved once Stage 2 confirmed)</li> <li>Artefact repatriation for Burra Creek post site card registration (subject to timely registration by regulator)</li> </ul>	1 July 2025	\$1,500,000
12d	<b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER East (Gunbower and Guttrum Benwell):</b> <ul style="list-style-type: none"> <li>CHMPs finalised for submission (Gunbower &amp; Guttrum-Benwell) to FPSR for pre-evaluation review (approved once Stage 2 confirmed)</li> <li>Environment Report content ready for pre-authorisation</li> </ul>	1 July 2025	\$2,000,000
12e	<b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES West (Lindsay Island and Wallpolla):</b> <ul style="list-style-type: none"> <li>Hydraulic assessment updated to address Ministers Recommendations from EES &amp; ER Central</li> <li>Complete CHMP field investigations</li> </ul>	1 July 2025	\$2,000,000
13a	<b>Progress Report demonstrating completion of the following performance benchmarks:</b>  <b>A: Project Delivery</b>  <b>Program-level:</b> <ul style="list-style-type: none"> <li>Operation and Maintenance (O&amp;M) funding framework completed.</li> </ul>	31 October 2025	\$3,000,000

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Milestone Number	Performance Milestones	Report Due	Payment (up to)
	<ul style="list-style-type: none"> <li>Commencement of implementation of Transition Plan from Stage 1 to Stage 2 (i.e. new governance model, contractors onboarding, etc)</li> </ul> <p><b>Acceptance by DCCEEW of:</b>  <b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>		
13b	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES Central (Hattah Lakes North and Belsar Yungera):</b></p> <ul style="list-style-type: none"> <li>Hydraulic assessment updated to reflect Ministers Recommendations</li> </ul>	31 October 2025	\$1,000,000
13c	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER Central (Nyah and Vinifera):</b></p> <ul style="list-style-type: none"> <li>Hydraulic assessment updated to reflect Ministers Recommendations</li> </ul>	31 October 2025	\$1,000,000
13d	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: ER East (Gunbower and Guttrum Benwell):</b></p> <ul style="list-style-type: none"> <li>Commence public exhibition and hearing process.</li> </ul>	31 October 2025	\$1,000,000
13e	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES West (Lindsay Island and Wallpolla):</b></p> <ul style="list-style-type: none"> <li>Environment Effects Statement content ready for pre-authorisation</li> <li>Submission of draft CHMP chapters for review</li> </ul>	31 October 2025	\$1,000,000
14a	<p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>A: Project Delivery</b></p> <p><b>Program-level:</b></p> <ul style="list-style-type: none"> <li>Format for Status report for end of Stage 1 activities approved by DCCEEW.</li> </ul> <p><b>Acceptance by DCCEEW of:</b></p>	28 February 2026	\$1,500,000

Milestone Number	Performance Milestones	Report Due	Payment (up to)
	<p><b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>		
14b	<p><b>Progress reporting demonstrating completion of performance benchmarks for package specific activity: EES West (Lindsay Island and Wallpolla):</b></p> <ul style="list-style-type: none"> <li>• Commence public exhibition and hearing process.</li> <li>• CHMPs finalised for submission Lindsay and Wallpolla) to FPSR for pre-evaluation review (approved once Stage 2 confirmed)</li> </ul>	28 February 2026	\$1,000,000
15	<p><b>Progress Report demonstrating completion of the following performance benchmarks:</b></p> <p><b>A: Project Delivery</b></p> <p><b>Program-level:</b></p> <ul style="list-style-type: none"> <li>• Status Report (in approved format by DCCEEW) of: <ul style="list-style-type: none"> <li>○ cost to complete pre-construction activities plan and</li> <li>○ percentage complete against each work packages for the following stages of completion: <ul style="list-style-type: none"> <li>▪ Primary approvals completed (50%)</li> <li>▪ Construction underway(75%)</li> <li>▪ Construction complete (100%)</li> </ul> </li> </ul> </li> </ul> <p><b>Package specific:</b>  <b>ER East (Gunbower and Guttrum Benwell):</b></p> <ul style="list-style-type: none"> <li>• Primary Approvals (PSA and EPBC) applications submitted to Minister for Planning (State) and Minister for Environment (Federal) for approval (subject to timely receipt of Ministers Assessment)</li> </ul> <p><b>Acceptance by DCCEEW of:</b>  <b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>	1 July 2026	\$500,000

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Milestone Number	Performance Milestones	Report Due	Payment (up to)
16	<p><b>Stage 1 Final Report demonstrating:</b>  <b>A: Project Delivery</b></p> <p><b>Program-level:</b></p> <ul style="list-style-type: none"> <li>• <b>Final Status Report( in approved DCCEEW format) of:</b> <ul style="list-style-type: none"> <li>○ completion of cost to complete pre-construction activities plan; and</li> <li>○ percentage complete against each work packages for the following stages of completion:                             <ul style="list-style-type: none"> <li>▪ Primary approvals completed (50%)</li> <li>▪ Construction underway(75-95%)</li> <li>▪ Construction complete (100%)</li> </ul> </li> </ul> </li> </ul> <p><b>Package specific:</b>  <b>EES West (Lindsay Island and Wallpolla):</b></p> <ul style="list-style-type: none"> <li>• Primary Approvals (PSA and EPBC) applications submitted to Minister for Planning (State) and Minister for Environment (Federal) for approval (subject to timely receipt of Ministers Assessment)</li> </ul> <p><b>Acceptance by DCCEEW of:</b>  <b>B: Project Risk register update</b>  <b>C: Stakeholder consultation update</b>  <b>D: Status of Resolution of Issues identified in the Post Phase 2 Issues Register</b>  <b>E: Income and expenditure report</b>  <b>F: Governance report (number of meetings, major discussions, risks)</b></p>	30 September 2026	\$500,000
<b>Total</b>			\$68,070,000

**Table 3: Summary of available funding for each milestone period**

Period Number	Period	Available funding, up to amount
1	Upon signing to 30 March 2019	\$1,566,670
2	1 April 2019 to 30 September 2019	\$2,442,906
3	1 October 2019 to 31 March 2020	\$8,692,714
4	1 April 2020 to 30 September 2020	\$9,113,379
5	1 Oct 2020 to 30 September 2021	\$17,556,355
6	1 September 2021 to 28 February 2022	\$18,421,598
7	1 March 2022 to 31 July 2022	\$28,706,378
8a	1 August 2022 to 30 September 2022	\$10,680,000
	<b>Paid as at June 2024 by DCCEEW – sub-total</b>	<b>\$97,180,000</b>
9	1 October 2022 to 1 July 2024	\$28,070,000
10	1 July 2024 to 30 September 2024	\$12,000,000
11	1 October 2024 to 28 February 2025	\$7,500,000
12	1 March 2025 to 1 July 2025	\$10,000,000
13	2 July 2025 to 31 Oct 2025	\$7,000,000
14	1 November 2025 to 28 February 2026	\$2,500,000
15	1 March 2026 to 1 July 2026	\$500,000
16	2 July 2026 to 30 September 2026	\$500,000
<b>Total</b>		<b>\$165,250,000</b>

14. Funds will be paid for actual expenditure incurred for the achievement of project milestones. Payments may also include amounts for costs incurred on activities completed in the current period that progress achievement of subsequent milestones.
15. If the actual expenditure for a particular milestone is less than the payment amount for that same milestone, the residual amount (being the difference between the actual expenditure and the payment amount) will remain available under this Schedule as a contingency for meeting any necessary reasonable additional costs for activities under the Schedule subject to the clauses 10 to 14 of this Schedule.
16. The Commonwealth may agree to requests from Victoria to transfer a residual amount, or part thereof, to a subsequent milestone in the work streams in this Schedule.

17. A request from Victoria to transfer a residual amount to a milestone falling within the same financial year may be agreed to by the Commonwealth portfolio minister. Such transfers may be agreed and take place without a variation to the Schedule.
18. The Commonwealth Minister may delegate the agreement of transfers of residual amounts within the same financial year to senior Commonwealth officials, having regard to the financial and policy risks associated with the transfers.
19. A request from Victoria to transfer a residual amount to increase a milestone amount in a later financial year may be agreed in writing by the relevant Commonwealth and State portfolio ministers in accordance with clause 35 of the Agreement.
20. Victoria will provide a reconciliation of any residual amounts that have been transferred to subsequent milestones as part of reports required in accordance with clause 23 of the Agreement.
21. The outputs in Table 2 are independent bodies of work. Milestones and associated payments in one output are independent of milestones and payments in other outputs. The non-completion of a milestone by its reporting date in a particular output will not prevent payment being made for a completed milestone in a different output.

**SIGN OFF**

The Parties have confirmed their commitment to this Schedule as follows:

*Signed for and on behalf of the Commonwealth of Australia by*



**The Honourable Tanya Plibersek MP**  
Minister for the Environment and Water

12 8 24  
[Day] [Month] [Year]

*Signed for and on behalf of the State of Victoria by*



**The Honourable Harriet Shing MLC**  
Minister for Water

30 August 2024

Appendix 1

**Completed Milestone components and financial expenditure to 28 February 2023 for Victorian Supply Measures – Environmental Works Program.**

**Table 4. Milestone 1-8a components achieved.**

Milestone number	Outputs	Milestone Component	Report Submitted
1	<b>1.1) Victorian Basin Plan Environmental Works Program delivery strategy, governance and resources</b>	<p>Completion of Program Delivery Strategy, establishment of program governance and start-up team.</p> <p>Completion of draft project plans and service level agreement template.</p> <p>Concept designs confirmed and draft fish management plans completed for seven project sites and a regional native fish discussion paper.</p> <p>Request for Tender (RFT) for owner’s engineer finalised and ready for release to market and communications and stakeholder engagement strategy completed.</p>	1 June 2019
2	<b>2.1) Victorian Basin Plan Environmental Works Program delivery strategy, governance and resources</b>	Engagement of specialist resources, finalisation of service level agreements and project plans, recruitment of full program team (for stage 1), communications and stakeholder engagement progress report and the completion of a final consolidated business case for the nine environmental works supply measures.	22 January 2020
	<b>2.2) Gunbower National Park Floodplain Management Project</b>	Completion of Concept Design for Gunbower	22 January 2020
	<b>2.3) Guttrum and Benwell State Forests Floodplain Environmental Works Project</b>	Completion of Concept Design for Guttrum and Benwell	22 January 2020
	<b>2.4) Hattah Lakes North Floodplain</b>	<p>Completion of detailed design reports.</p> <p>Lodgement of key environmental referrals with approving authorities.</p>	22 January 2020



## Schedule B - Project Agreement for Stage 1 Funding for SDL Adjustment Supply and Constraints Measures in the Murray-Darling Basin

Milestone number	Outputs	Milestone Component	Report Submitted
	<b>Management Project</b>	Completion of Draft Stage 2 implementation proposal.	
3	<b>3.1) Belsar-Yungera Floodplain Management Project</b>	Completion of functional design reports	9 June 2020
	<b>3.2) Guttrum and Benwell State Forests Floodplain Environmental Works Project</b>	Completion of functional design reports	9 June 2020
	<b>3.3) Lindsay Island Floodplain Management Project</b>	Completion of functional design reports	9 June 2020
	<b>3.4) Nyah Floodplain Management Project</b>	Completion of functional and detailed design reports. Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	9 June 2020
	<b>3.5) Vinifera Floodplain Management Project</b>	Completion of functional and detailed design reports. Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	9 June 2020
4	<b>4.1) Belsar-Yungera Floodplain Management Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	22 December 2020
	<b>4.2) Burra Creek Floodplain</b>	Completion of functional design reports	22 December 2020

Schedule B - Project Agreement for Stage 1 Funding for SDL Adjustment Supply and Constraints Measures in the Murray-Darling Basin

Milestone number	Outputs	Milestone Component	Report Submitted
	<b>Management Project</b>		
	<b>4.3) Gunbower National Park Floodplain Management Project</b>	Completion of functional design reports	22 December 2020
	<b>4.4) Guttrum and Benwell State Forests Floodplain Environmental Works Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	22 December 2020
	<b>4.5) Lindsay Island Floodplain Management Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	22 December 2020
	<b>4.6) Wallpolla Island Floodplain Management Project</b>	Completion of functional design reports	22 December 2020
5	<b>5.1) Victorian Basin Plan Environmental Works Program delivery strategy, governance and resources</b>	Completion of an updated regulatory approvals strategy (post-referral outcome), and progression of cultural heritage approval activities and post-referral approvals scoping for each of the nine measures.	29 April 2021
	<b>5.2) Burra Creek Floodplain Management Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	29 April 2021
	<b>5.3) Gunbower National Park Floodplain Management Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	29 April 2021
	<b>5.4) Wallpolla Island Floodplain Management Project</b>	Lodgement of key environmental referrals with approving authorities. Completion of Draft Stage 2 implementation proposal.	29 April 2021

Milestone number	Outputs	Milestone Component	Report Submitted
	<p><b>5.5) Regulatory Approvals, detailed designs, land dealings, construction tendering and baseline monitoring, evaluation and reporting</b></p>	<p><b>Project Delivery</b></p> <ul style="list-style-type: none"> <li>Preparation of Master Schedule for the delivery of the regulatory approval activities</li> </ul> <p><b>Regulatory Approvals</b></p> <ul style="list-style-type: none"> <li>Establishment of Technical Reference Group (TRG)</li> <li>Completion of final EES and ER/PSA Study Programs</li> <li>Submission of EES and ER/PSA Scoping Requirements to TRG</li> <li>Completion of draft EES and ER/PSA Project Description Chapters</li> <li>Completion of Spring 2020 Ecology Field Investigations</li> <li>Completion of standard CHMP reports</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>Execution of Panel contracts with Environmental &amp; Planning Approvals consultants.</li> <li>Issuing of Service Orders for the preparation of impact assessments</li> </ul> <p><b>Monitoring, Evaluation &amp; Reporting</b></p> <ul style="list-style-type: none"> <li>Procurement of services to collect benchmark MER data</li> </ul>	<p>13 October 2021</p>
<p>6</p>	<p><b>6) Regulatory Approvals, detailed designs, land dealings, construction tendering and baseline monitoring, evaluation and reporting</b></p>	<p><b>Regulatory Approvals</b></p> <ul style="list-style-type: none"> <li>Completion of draft EES Introduction Chapters</li> <li>Completion of draft ER/PSA Introduction Chapters</li> <li>Completion of Summer 2020/21, Autumn 2021 and Winter 2021 Ecology Field Investigations</li> <li>Completion of Surface Water and Groundwater draft EES and ER/PSA Specialist Assessments</li> <li>Completion of draft complex CHMP reports</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>Completion of Procurement strategy for Early Tender Involvement</li> </ul>	<p>28 April 2022</p>

Milestone number	Outputs	Milestone Component	Report Submitted
		<ul style="list-style-type: none"> <li>Release of tender to the open market for Early Tenderer Involvement (ETI) construction procurement.</li> </ul>	
7	<p><b>7) Regulatory Approvals, detailed designs, land dealings, construction tendering and baseline monitoring, evaluation and reporting</b></p>	<p><b>Regulatory Approvals</b></p> <p><b>ER Central:</b></p> <ul style="list-style-type: none"> <li>Draft of Introductory Chapters (Volume 1)</li> <li>Draft of Effects Chapters (Volume 2)</li> <li>Draft of Environmental Management Framework (Volume 3)</li> <li>Draft of Technical Specialists Assessments (Volume 5)</li> </ul> <p><b>ER East:</b></p> <ul style="list-style-type: none"> <li>Draft of Introductory Chapters (Volume 1)</li> <li>Draft of Technical Specialists Assessments (Volume 5)</li> </ul> <p><b>EES Central:</b></p> <ul style="list-style-type: none"> <li>Draft of Introductory Chapters (Volume 1)</li> <li>Draft of Effects Chapters (Volume 2)</li> <li>Draft of Environmental Management Framework (Volume 3)</li> <li>Draft of Attachments to EES/ER (Volume 4)</li> <li>Draft of Technical Specialists Assessments (Volume 5)</li> </ul> <p><b>Land Dealings</b></p> <ul style="list-style-type: none"> <li>Preparation of draft agreements for all properties requiring land dealings</li> </ul> <p><b>Monitoring, Evaluation &amp; Reporting</b></p> <ul style="list-style-type: none"> <li>Submission of ecological and socio-economic MER plan</li> </ul>	<p>18 November 2022</p>
8a	<p><b>8a) Regulatory Approvals, detailed designs, land dealings, construction tendering and baseline monitoring,</b></p>	<p><b>Regulatory Approvals</b></p> <p><b>ER Central:</b></p> <ul style="list-style-type: none"> <li>Draft of Attachments to EES/ER (Volume 4)</li> <li>Finalisation of Environmental Management Framework (Volume 3)</li> <li>Finalisation of Technical Specialists Assessments (Volume 5)</li> </ul> <p><b>ER East:</b></p>	<p>18 November 2022</p>

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Schedule B - Project Agreement for Stage 1 Funding for SDL Adjustment Supply and Constraints Measures in the Murray-Darling Basin

Milestone number	Outputs	Milestone Component	Report Submitted
	evaluation and reporting	<ul style="list-style-type: none"> <li>Finalisation of Environmental Management Framework (Volume 3)</li> </ul> <p><b>EES Central:</b></p> <ul style="list-style-type: none"> <li>Finalisation of Introductory Chapters (Volume 1)</li> <li>Finalisation of Effects Chapters (Volume 2)</li> <li>Finalisation of Environmental Management Framework (Volume 3)</li> <li>Finalisation of Technical Specialists Assessments (Volume 5)</li> <li>PCG Endorsement of Comms Plan</li> </ul> <p><b>EES West:</b></p> <ul style="list-style-type: none"> <li>Draft of Technical Specialists Assessments (Volume 5)</li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>All Packages: ECI Contractors Appointed (Stage 2 Acceleration)</li> </ul> <p><b>Monitoring, Evaluation &amp; Reporting</b></p> <ul style="list-style-type: none"> <li>Completion of collection of year 1 (Spring 2021 and Autumn 2022) ecological baseline data per MER plan</li> </ul>	

Table 5: Financial Expenditure claimed for Milestones 1-8a to 28 February 2023.

Milestone	Date Paid	Payment Made by Commonwealth
Milestone 1	June 2019	\$1,566,670
Milestone 2	June 2020	\$2,442,906
Milestone 3	June 2020	\$8,692,714
Milestone 4	March 2021	\$9,113,379
Milestone 5 (outputs 5.1-5.4)	June 2021	\$7,184,331
Milestone 5 (outputs 5.5)	February 2022	\$10,372,024
Milestone 6	June 2022	\$18,421,598
Milestone 7	February 2023	\$28,706,378
Milestone 8a	February 2023	\$10,680,000
<b>Total to date</b>		<b>\$97,180,000</b>

## Appendix 2

## Victorian Supply Measures- Environmental Works Program – Guideline on items to be addressed by Victoria in the delivery of Milestones

Victorian Basin Plan Environmental Works Program delivery strategy, governance and resources		
Milestones	Deliverable	Details of Deliverables
Completion of Program Delivery Strategy, establishment of program governance and start-up team.	Victorian Basin Plan Environmental Works Program (VBPEWP) Delivery Strategy	<ul style="list-style-type: none"> <li>• VBPEWP Delivery Strategy document.</li> <li>• Post-phase 2 business case issues register update</li> <li>• Regulatory approvals strategy</li> <li>• Program issues and risk register</li> <li>• Monthly cashflow forecast</li> </ul>
Completion of draft project plans and service level agreement template.	Establishment of program governance	<ul style="list-style-type: none"> <li>• Program Control Group (PCG) terms of reference</li> <li>• List of PCG members</li> <li>• Program charter</li> <li>• Template program partner Service Level Agreements (SLAs)</li> </ul>
Concept designs confirmed and draft fish management plans completed for seven project sites and a regional native fish discussion paper.	Program Director and Program Team resourcing	<ul style="list-style-type: none"> <li>• Appointment of Interim Program Director</li> <li>• Resourcing of initial program skeleton team</li> <li>• Program Director position description</li> <li>• Program team resourcing plan</li> <li>• Owner's engineer procurement strategy</li> </ul>
Request for Tender (RFT) for owner's engineer finalised and ready for release to market, communications and stakeholder engagement strategy completed.	Financial ring-fencing policy established	<ul style="list-style-type: none"> <li>• Ring-fencing policy document</li> <li>• Program chart of accounts</li> </ul>
	Service level agreements with agencies	<ul style="list-style-type: none"> <li>• Specification and scope of works for Mallee CMA, North Central CMA, GMW, LMW and PV</li> <li>• Paper documenting the roles, responsibilities and membership of Stakeholder Reference Groups and Technical Advisory Groups</li> </ul>
	Project plans	<ul style="list-style-type: none"> <li>• Program Management Plan</li> <li>• Quality Management Plan</li> <li>• Safety Management Plan</li> <li>• Environmental Management Plan</li> <li>• Procurement Management Plan</li> <li>• Risk Management Plan and risk register</li> <li>• Stakeholder Engagement Plan and schedule</li> </ul>

Victorian Basin Plan Environmental Works Program delivery strategy, governance and resources		
Milestones	Deliverable	Details of Deliverables
		<ul style="list-style-type: none"> <li>• Cost and Schedule Management Plan</li> <li>• Finance Management Plan</li> </ul>
	Owner's engineer RFT	RFT for engaging the Owner Engineer prepared and ready to release to the market.
	Confirmed Concept Designs and Draft native fish management plans	<ul style="list-style-type: none"> <li>• Confirmed Concept design reports for seven of the nine project sites</li> <li>• Seven draft project native fish management plans</li> <li>• Draft regional native fish discussion paper</li> </ul>
	Communications and stakeholder engagement	<ul style="list-style-type: none"> <li>• Communications and engagement strategy</li> <li>• Evidence that stakeholder and Traditional Owner engagement has commenced</li> <li>• Program communications material - websites, fact sheets, social media</li> </ul>
Engagement of specialist resources, finalisation of service level agreements and project plans, recruitment of full program team (for Stage 1), communications, stakeholder engagement progress report, and the completion of a final consolidated business case for the nine environmental works supply measures.	Owner's engineer engaged	Executed contract between Program and Owner's Engineer (s).
	Program team recruitment, communications and stakeholder engagement	<ul style="list-style-type: none"> <li>• Position descriptions for key roles in Stage 1 team</li> <li>• Evidence that dedicated staff have been engaged to fill positions</li> <li>• Evidence that Program site office and associated IT equipment are in place</li> <li>• Establish Program systems and processes required for a major infrastructure program</li> </ul>
	Final consolidated business case	Finalised consolidated business case document including: <ul style="list-style-type: none"> <li>• updated cost estimate for all nine projects based on current design basis</li> <li>• integration arrangements</li> <li>• regulatory approvals strategy</li> <li>• program master schedule for program delivery to completion</li> <li>• updated risk and issues register</li> <li>• works procurement strategy</li> </ul>
Completion of an updated regulatory approvals strategy, post referral outcome, for each of the nine measures.	Final updated regulatory approvals strategy	<ul style="list-style-type: none"> <li>• Confirmation of referral outcome and costings to obtain key environmental referrals and other heritage and planning statutory approvals with approving authorities</li> <li>• Timeline to complete all preconstruction activities for each measure including the production of a final Stage 2 Implementation Proposal and confirmation of the submission of the measures to the Commonwealth for gateway assessment, and detailed designs for remaining measures</li> <li>• Commencement of post referral activities for Hattah Lakes North, Nyah and Vinifera</li> </ul>

Stage 1 activities for nine environmental works supply measures: Belsar-Yungera, Burra Creek, Hattah Lakes North, Nyah, Lindsay Island, Vinifera, and Wallpolla Island Floodplain Management Projects and the Guttrum and Benwell State Forests and Gunbower National Park Floodplain environmental Works Projects		
Milestones	Deliverable	Details of Deliverables
Completion of concept designs	Concept designs reviewed and confirmed for the nine measures	<ul style="list-style-type: none"> <li>• Concept designs reviewed and confirmed for Belsar-Yungera, Burra Creek, Hattah Lakes North, Nyah, Lindsay Island, Vinifera, and Wallpolla Island Floodplain Management Projects</li> <li>• Concept designs completed for the Gunbower National Park Floodplain Management Project</li> <li>• Concept designs completed for the Guttrum and Benwell State Forests Floodplain Environmental Works Project</li> </ul>
Completion of functional designs	Functional designs for each measure	Functional design reports for the respective measure comprising: <ul style="list-style-type: none"> <li>• finalised design criteria</li> <li>• finalised access arrangements</li> <li>• finalised mechanical-electrical equipment specification</li> <li>• draft operating regime</li> <li>• preliminary hydraulic design of assets</li> <li>• preliminary structural design of assets</li> <li>• preliminary construction cost estimate</li> <li>• issued for review (IFR) design drawing package</li> </ul>
Completion of detailed design reports for each measure	Detailed designs for each measure	Detailed design reports for the respective measure comprising: <ul style="list-style-type: none"> <li>• preliminary operating regime</li> <li>• final hydraulic design of assets</li> <li>• final structural design of assets</li> <li>• final construction cost estimate</li> </ul>
Evidence sufficient documentation is available to support lodgement of key environmental referrals and other heritage and planning statutory approvals with approving authorities.	Project - Environmental Referrals and any other necessary statutory approvals for the five central sites (Hattah, Belsar-Yungera, Nyah, Vinifera and Guttrum)	Key primary environmental referrals and other heritage and planning statutory approvals for the respective measure lodged with approving authorities for five central sites Evidence sufficient documentation is available to support lodgement of primary approvals for key environmental referrals for the remaining four sites  Evidence sufficient documentation is available to support lodgement of secondary approvals for key environmental referrals for all sites.
Completion of Draft and final Stage 2 implementation proposal and Transition Plan to move from Stage 1 to Stage 2	Draft and Final Stage 2 implementation proposal for each measure	Draft and final Stage 2 implementation proposal for the respective measure including, but not limited to the following information: <ul style="list-style-type: none"> <li>• Confirmation of the submission for the respective measure to the Commonwealth for gateway assessment</li> <li>• Stage 2 cost estimate for the respective measure (demonstrated through the Stage 2 consolidated business case)</li> </ul>



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Stage 1 activities for nine environmental works supply measures: Belsar-Yungera, Burra Creek, Hattah Lakes North, Nyah, Lindsay Island, Vinifera, and Wallpolla Island Floodplain Management Projects and the Guttrum and Benwell State Forests and Gunbower National Park Floodplain environmental Works Projects		
Milestones	Deliverable	Details of Deliverables
		<ul style="list-style-type: none"> <li>• Evidence to demonstrate resolution, or a strategy to resolve all post-Phase 2 assessment issues for the respective measure</li> <li>• Arrangements for ongoing ownership and responsibility for operations and maintenance costs for the respective measure reflected in the Stage 2 consolidated business case</li> <li>• Confirmation that the measures are developed sufficiently to receive all necessary statutory approvals on approval for project to proceed to Stage 2 construction.</li> </ul>